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**RECENT DECLINE IN FOREIGN COMPUTER MANUFACTURERS'  
SALES TO JAPANESE PUBLIC SECTOR RAISES U. S. CONCERNS**

United States Trade Representative Charlene Barshefsky today expressed concern in response to U.S. computer industry data that reveal a decline in foreign share of Japan's public sector computer market. "This is the first time market share has declined in the non-PC sector since the U.S.-Japan computer procurement agreement was signed in 1992. I find this particularly troublesome given the success of U.S. firms in both the Japanese private sector market and in other public and private sector markets around the world," Ambassador Barshefsky stated.

The market figures, provided by the computer industry's Computer Systems Policy Project (CSPP), show the share of foreign computer manufacturers (FCMs) in the Japanese public sector market for large computers, which includes mainframes, minicomputers, office computers, and work stations, dropped from 13.7 percent in 1994 to 10.2 percent in 1995 (the latest year for which data is available for these categories of computers). There was also a lack of progress in Japanese government purchases of personal computers with FCM share at 11.4 percent in 1995 compared to 10.9 percent in 1996.

"It is particularly troubling that Japanese government purchases of personal computers from foreign manufacturers have failed to keep pace with the overall growth in foreign computer sales in Japan," said Ambassador Barshefsky. "This is especially glaring given the 31 percent share of the private market in Japan held by foreign computer manufacturers."

Representatives of the two governments will meet October 30 in Tokyo to review implementation of the computer agreement. The computer agreement is intended to expand Japanese government procurement of competitive foreign computer products by allowing foreign manufacturers to compete for sales on the basis of clear rules that facilitate open access.